



NCUA Media Advisory

Matz Promotes Financial Literacy Grants

Low-Income Credit Unions May Apply for Funds between April 18 and May 20

April 13, 2011, Alexandria, Va. -- National Credit Union Administration (NCUA) Board Chairman Debbie Matz today encouraged low-income credit unions to apply for a new grant program known as the Financial Education and Financial Literacy Initiative. Offered through the agency's Office of Small Credit Union Initiatives, NCUA will distribute \$200,000 in grants. Credit unions may submit grant applications from April 18 through May 20, 2011.

"In its latest survey, Project Jump\$tart found that the financial literacy of high school students had fallen to new lows. We need to fix this problem," said Chairman Matz. "NCUA is dedicated to giving students everywhere the opportunity to gain financial skills. These grants will facilitate credit union efforts to ensure that today's teenagers develop the ability to make smart financial decisions. This initiative invests in our future."

NCUA established this initiative to support the efforts of low-income credit unions to improve the financial literacy in their communities, particularly among students. The grants also advance NCUA's partnership with the U.S. Department of Education and the Federal Deposit Insurance Corporation to encourage financial institutions to educate students about saving, budgeting and making wise financial decisions.

The start of the Financial Education and Financial Literacy Initiative's application process in April coincides with Financial Literacy Month. Funding for the grants comes from the NCUA Community Development Revolving Loan Fund's Technical Assistance Grant Program. Under the initiative, low-income designated credit unions may apply for up to \$5,000 to create, enhance or expand financial education efforts.

Through the grants, NCUA seeks to encourage low-income credit unions to collaborate with schools, community organizations and other financial institutions to provide financial education within the communities they serve. NCUA encourages credit unions to use the grants to support financial literacy projects aimed at students, but the funding received through the initiative may support other community financial education efforts.

Examples of a few projects and uses that NCUA hopes to fund through the initiative include:

- Developing joint ventures with schools, teacher associations and parent groups to provide in-school education about the importance of savings to children and youth;
- Providing financial education material aimed at students;
- Adding or enhancing student or youth focused financial education modules on credit union websites;
- Establishing partnerships with credit counseling organizations to offer credit repair training and assist members in improving their credit scores; and
- Promoting affiliations with city and state housing agencies to provide first-time homebuyer counseling and foreclosure prevention counseling.

The application and guidance are available on NCUA's website at <http://www.ncua.gov/Resources/CreditUnionDevelopment/Finance.aspx> in the section focused on Technical Assistance Grants. NCUA will announce the awards in late July.

NCUA is the independent federal agency that regulates, charters and supervises federal credit unions. With the backing of the full faith and credit of the U.S. government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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